Inflationary increase in Primary Articles

3786. SHRI RAMDAS AGARWAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government are awaro of a sharp inflationary increase of 9.3 per cent mainly in the primary articles as on 12th February, 1994 as compared to 4.2 per cent in the corresponding period last year;

(b) whether RBI has expressed concern over unstable prices and issued a warning that the annualised inflation rate during this year may well be at thereshold of the two digit level, as reported in the Financial Express dated the 23rd March, 1994 ; and

(c) if so, what steps Government have taken so far to check/control prices of consumer items from going up by 20 per cent and what are the prospects for the growth in gross domestic products (GDP), indicating growth of manufacturing sector during 1994-95 in percentage, as compared to 1993-94 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) and (b) Yes. Sir.

(c) Prices of consumer goods except for a limited number of administered items are determinded largely by the market forces of supply and demand as also the prices of various inputs that are used in production of consumer goods. However, for moderating the price rise, the Government's intervention has been primarily in augmenting supplies of essential commodities. Increasing allocation through PDS, open market sales of wheat and rice by the FCI, import of essential commodities and higher monthly releases of non-levy sugar are some of the steps taken to stabilise the prices.

The estimates of Gross Domestic Product (GDP) for 1994-95 have not been made by the Central Statistical Organisation so far, and therefore, it is difficult to predict the prospects for the growth in GDP or indicate growth of manufacturing sector during 1994-95 in percentage as compared to 1993-94.

Detection of Benami holding of shares by Income Tax Department

3787. SHRI SOM PAL : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Income Tax Department has detected huge incidence of benami holding of shares by individuals and firms ;

(b) if so, what are the names of such firms, individuals and companies; and

(c) what action has been taken against them, and what is being done to prevent such occurrence in future ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) and (b) The Income Tax Department had undertaken protracted investigation starting from July, 1992 in the matter of benami shares of Harshad Mehta Group. They have detected about 38.37 lakh shares in 39 compaines held by about 84 benami companies and 520 benami individuals. The Income Tax Department has reason to believe that these shares, cumulatively valued at about Rs. 303 crores, actually belong to Harshad Mehta Group. A list of these shares is annexed as statement. *(See* below).

(c) The Income Tax Department had filed of Misc. Application No. 53 of 1994 on 31-1-1994 before the Special Court (Trial of Offences Relating to Transactions Under Securities) Act, 1992 at Mumbai bringing all these facts to the notice of the Hon'ble Court. In this application it was paid, inter alia, that the Hon'ble Court may declare these shares as belonging to the Group and also declare them attached and vested in the Custodian. In response to this application. Shri Harshad Mehta has filed an affidavit on 25-2-1994 virtually admitting benami share holdings of about Rs. 195 crores. The Court has ordered the custodian to take possession of the shares admitted by Shri Harshad Mehta. The Hon'ble Special Court is seized of all aspects of the matter.